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NCUA Media Advisory

Initial 2011 NCUA Guaranteed Note Transaction Completed

Proceeds Now Total Over \$19 Billion

January 27, 2011, Alexandria, Va. –The National Credit Union Administration today announced that the NCUA Guaranteed Notes Trust 2011-R1 offering priced on Tuesday, January 18 and closed on Thursday, January 27. The transaction yielded approximately \$1.5 billion in proceeds from sales of the Trust’s Senior Notes, and the coupon on the Senior Notes will be 45 basis points over LIBOR, indicating strong investor interest. Collateral for the transaction consisted of previously issued residential mortgage-backed securities.

The latest transaction brings the total number of NCUA Guaranteed Notes (or “NGN”) offerings to six. NCUA has now securitized approximately 65 percent of the legacy assets originally targeted for securitization in order to fund deposits assumed by the bridge corporate credit unions.

Securitization proceeds now total approximately \$19.3 billion from all NGN transactions closed to date. The remaining NGN offerings are scheduled to be completed over the next few months.

“This latest successful offering demonstrates the value of the NCUA securitization program,” commented NCUA Chairman Debbie Matz. “Faced with a set of difficult choices and a very distressed market, NCUA developed this program as a manageable way to enable the credit union industry to pay for the losses incurred in the corporate system. Credit unions should be encouraged by the results thus far, and should be confident that NCUA is working to resolve the issues in as efficient and cost-effective manner as possible.”

NCUA NGNs will receive regular payments of principal and interest from cash flows of related underlying securities. Timely principal and interest payment on the NGNs is guaranteed by the NCUA, and that guaranty is backed by the full faith and credit of the United States.

Barclays Capital, New York, New York, serves as the sole structuring agent and bookrunner on these transactions. Purchase of NCUA NGNs is also available through a syndicate of co-managers and selling group members.

NCUA is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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